

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION	)	
OF CHESAPEAKE UTILITIES	)	
CORPORATION TO ESTABLISH A	)	
VALUATION PROCESS AND PRICING	)	PSC DOCKET NO. 16-0161
STRUCTURE FOR PROPANE COMMUNITY	)	
GAS SYSTEM ACQUISITIONS	)	
(FILED FEBRUARY 4, 2016)	)	

**ORDER NO. 9255**

**AND NOW**, this 24<sup>th</sup> day of July, 2018, the Delaware Public Service Commission (the "Commission") determines and orders the following:

**WHEREAS**, on February 4, 2016, Chesapeake Utilities Corporation ("Chesapeake" or "Company") filed an application (the "Application") requesting Commission approval of the following items relating to the acquisition of a propane community gas system ("CGS") located within Chesapeake's Delaware Division territory and subsequent conversion of the CGS to regulated natural gas service: (1) a comprehensive and transparent CGS valuation process; (2) the proper accounting treatment to be used for ratemaking purposes; and (3) a natural gas pricing structure for CGS customers who convert to natural gas service; and

**WHEREAS**, on March 15, 2016, the Delaware Division of the Public Advocate ("DPA") exercised its statutory right of intervention; and

**WHEREAS**, on August 9, 2016, based upon numerous discussions between the Delaware Public Service Commission Staff ("Staff") and the DPA, the Company filed a supplement to its Application that included a confidential attachment containing an actual example of a recently completed CGS conversion ("Supplemental Application"); and

**WHEREAS**, on October 18, 2016, the Commission adopted Order No. 8965, established a deadline for intervention, assigned the matter to a Hearing Examiner, and directed the Company to issue a form of public notice; and

**WHEREAS**, after filing the Supplemental Application, Staff and the DPA served informal data requests on the Company and continued to meet several times over the course of a year to discuss the case. Based on the feedback the Company received from Staff and the DPA, and on further internal discussions, the Company decided to substantially revise its CGS proposal and advised the Parties it would file an application under a new docket number; and

**WHEREAS**, on June 29, 2018, Chesapeake filed with the Commission an application, which has been docketed as PSC Docket No. 18-0933, pursuant to 26 Del. C. §201, §301, and §304, requesting approval of the following items relating to the acquisition and conversion of propane community gas systems to regulated natural gas service located within Chesapeake's Delaware service territory: (1) establish the regulatory accounting treatment and valuation for Chesapeake's acquisition of certain CGSs; (2) establish a methodology to set new distribution rates for CGS customers; and (3) approve the creation of a new system-wide tariff rate to recover CGS conversion costs; and

**WHEREAS**, the Company, Staff, and the DPA agree to consider Chesapeake's request in its most recent CGS filing made on June 29, 2018 (PSC Docket No. 18-0933), so that the Commission can now formally close PSC Docket No. 16-0161;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE  
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. PSC Docket No. 16-0161 is closed.
2. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

**BY ORDER OF THE COMMISSION:**

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Chair

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Commissioner

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Commissioner

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Commissioner

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Commissioner

ATTEST:

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Secretary